



Public Accounts Committee

**The Rt Hon Louise Haigh MP
First Secretary of State,
Chancellor of the Duchy of Lancaster,
and Minister for the Cabinet Office**

By email

12 October 2026

Civil Service Pension Scheme

Dear Louise,

I am writing following the joint session of the Committee of Public Accounts and the Public Administration and Constitutional Affairs Committee examining the administration of the Civil Service Pension Scheme held on 8 July 2026.

Congratulations on your appointment over the summer as Minister for the Cabinet Office. You will no doubt be aware of the problems with the transfer last year of responsibility for civil service pensions to Capita. Problems which have caused completely unacceptable delay and distress to thousands of public servants and in which my Committee has been taking a keen interest. The then responsible Minister, Nick Thomas-Symonds, appeared at the joint session on 8 July, along with relevant officials and Capita representatives, and I am writing in light of that session, as well as the follow up correspondence received from the former Minister, Cat Little and Capita, and also Capita's further update of 10 September.

The session left the Committee with serious concerns about the current position of the scheme and progress in addressing the issues causing acute distress to many scheme members. We note Capita's recent update that it believes it has met the 1 September Stock Commitment set out in the Rectification Plan and that all workable cases across the five priority processes had been completed by 31 August. While this points to improvements in some aspects of service delivery, similar signs of progress have been seen previously without leading to sustained improvements. There have been a number of important deadlines given to the Committees by senior Capita Executives in public hearings which have proved to be false. Therefore, we remain sceptical about such deadlines provided by Capita. It remains unclear whether recent performance represents a lasting improvement in the quality of service provided to members. More fundamentally, the Committee was left with little confidence that



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Capita is on a credible path towards clearing the backlog and delivering a satisfactory level of service.

We heard explanations for the difficulties Capita have encountered, including data quality and the scheme's complexity. While we acknowledge that such factors are challenging, the Committee feels strongly that many of the risks associated with the transition to Capita's administration were foreseeable, particularly with a two-year transition period before the 'go-live' date of the 1 December 2025. During this period, all three parties (including MyCSP, Capita and Cabinet Office) had access to all data, We even publicly stated that we did not think Capita was ready to fully operate the scheme on 1st December and the Cabinet Office and Capita should have managed them far more effectively. We accept that an inadequate functioning data processing system is by far from the only reason the long duration of failure to operate the scheme administration properly. However, it has been a major contribution. Given Capita's previous experience administering a number of major public sector pension schemes, this is very disappointing. We request that your department keep a close check to assess when the system is fit for purpose.

We have heard of the devastating impact on scheme members of delays and service failures, which are causing real financial hardship to people who have dedicated years to public service. We note that the Pensions Recovery Taskforce is instructing Capita to prioritise the processing of cases involving individuals facing financial difficulties who are unable to access a Transitional Support Loan. However, we remain deeply concerned about the operation of transitional loan and financial support arrangements, and whether all affected members can access the support they need and deserve in a timely manner. We have also been severely disappointed by Capita's responses to complaints and queries from scheme members, and from Members of Parliament acting on behalf of their constituents. Our Chair has had a recent case of an ex constituent who had been in contact with the scheme since last October. Within a day of him forwarding it onto Capita, it was resolved. This is unacceptable. Scheme members should be able to expedite matters themselves.

We were struck by the lack of alignment between Capita and the Cabinet Office and remain concerned by the continued failure to meet publicly stated targets and deadlines. We note ongoing disputes about Capita's performance against service levels, and the Government's recently announced efforts to further recover the service, including an independent technical audit and the appointment of a remedial adviser. We understand from the recent announcement in parliament that a further update is expected in October once the work of the remedial adviser and the technical audit has been completed. However, we would also request that the full findings of both the remedial adviser and the auditor be made available to this Committee for us to consider.

Your predecessor, in his evidence in July, said that he would be expecting Capita to meet the costs of the 'surge' staff provided since February. You will have heard that Capita, when giving evidence to us immediately afterwards, was not prepared to say it would meet those costs.



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We do not consider it reflects well on Capita and its suitability for other government contracts if it expects the taxpayer to meet these costs. We put on the record here our serious concerns about the prospect of the taxpayer having to fund the costs of corrective action and would expect your officials to do everything possible to avoid that scenario.

A separate, but increasingly pressing issue, is the completion of the McCloud remedy by the end of March 2027. Given the current debacle the Committee is unconvinced that Capita and the Cabinet Office are in a position to meet their legal obligations with regards to this vital work. We note the clarification provided regarding the statutory basis for the 31 March 2027 deadline, but our concern remains whether the Cabinet Office and Capita are capable of delivering this work successfully. Action should be taken now to ensure this does not become another failure for the Committee to investigate next year. We note what was said in your predecessor's letter of 15th September and we would be grateful for any updates on this matter.

This experience has raised serious questions for public procurement and supplier accountability. The Cabinet Office and Capita acknowledge that we have now seen nine months of serious performance failure. It is vital that lessons are learned and that failures of this scale can be taken into account during future procurement activity so that taxpayers do not continue to see Government award contracts to suppliers evidently failing in other areas. It remains unclear to us what further steps Government is taking to ensure this is not the case and would welcome clarification from you when you next update us on any work you have planned on this issue. We note the government's recent announcement on changing the requirements around social value when considering its procurement options, suggesting that government can act to change procurement rules when it has the will to do so.

The difficulties experienced in the administration of the Civil Service Pension Scheme also raise important questions about its future delivery model. Given the scale and duration of the service failures experienced under the current contract, we are aware that the Government is actively considering alternative delivery approaches, including insourcing the administration of the Scheme. However, given the scheme's complexity and size it is paramount that any change to the administration of the scheme will not cause the amount of disruption to members that has been the case in recent years. We ask that you keep the Committee updated as thinking develops in this area and provide regular updates on any work being undertaken to assess future options for administering the Scheme.

As is usual practice we will publish this letter on our website and would intend to do the same with your reply. If there is anything in your reply that is sent in confidence or commercially sensitive then please provide it in a separate letter marked accordingly.



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Yours Sincerely

Sir Geoffrey Clifton-Brown MP
Chair of the Committee of Public Accounts